



State of Washington
PUBLIC DISCLOSURE COMMISSION

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9:30 a.m.
August 24, 2004

MINUTES – REGULAR MEETING

Evergreen Plaza Bldg. Room 206
711 Capitol Way South
Olympia, Washington

COMMISSION MEMBERS PRESENT

Michael Connelly, Chair
Jeannette Wood, Vice Chair
Francis Martin, Secretary
Earl Tilly, Member
Jane Noland, Member

STAFF PRESENT

Vicki Rippie, Executive Director
Susan Harris, Assistant Director
Michael Smith, Chief Technology Officer
Nancy Krier, Senior Counsel
Linda Dalton, Sr. Asst. Attorney General
Ruthann Bryant, Secretary

The regular meeting of the Public Disclosure Commission was called to order by Commission Chair Michael Connelly at 9:30 a.m. in the Evergreen Plaza Building, Room 206, Olympia, Washington.

Commissioner Comments

Commissioner Connelly noted that he is scheduled to travel to Olympia on three occasions in September and requested that another member preside over the Brief Adjudicative Proceedings scheduled for September 9th.

Citizen Comments/Concerns

No citizen comments or concerns were expressed.

Minutes

Motion 05-005

Moved by Commissioner Wood, seconded by Commissioner Martin:

**The Commission adopts the minutes
of July 23, 2004, as written.**

The motion passed unanimously.

Interpretation Review

Doug Ellis summarized the background and history of the development of the Guidelines for School Districts in Election Campaigns.

Attorney Harriet Strasberg, representing the Washington Education Association, stated that the guidelines do not address hand-to-hand distribution and they do not clearly identify "union representative."

Mary Linquist, President of the Mercer Island Uniserv Association, stated that she appreciates the ease of the Guidelines but expressed concern regarding use of email since the district email system is the only email option available to many district employees.

Rule Making

Doug Ellis briefly discussed potential rule making to define Elected Legislative Body. He also discussed potential amendments to WAC 390-17-310, Doing Business in Washington State, and amendments to the penalty schedules, WAC 390-37-155 through WAC 390-17-310.

Mr. Ellis noted that a Stakeholder meeting will be held in September to give all interested persons an opportunity to participate in the process.

The Commission directed staff to move forward with the rule making process.

Advisory Matter

Susan Harris presented a draft letter to Timothy Harris, President of the Building Industry Association of Washington, in response to questions regarding whether a candidate may assist a PAC that intends to make independent expenditures supporting that candidate.

The Commission concurred with the response as presented.

Staff Reports

Executive Director

Vicki Rippie summarized the status of the FY 2004 budget which ended on June 30th.

Assistant Director

Susan Harris reported that the state Auditor's Office will be conducting a limited scope audit by the end of the year. She also noted that staff has submitted an application for the Governor's Quality Award for recognition of the efficiencies that will be realized by development of the compact disk for candidates.

Chief Technology Officer

Michael Smith highlighted services provided with technology and summarized a report outlining current projects, applications maintenance and administrative support.

Senior Counsel

Nancy Krier briefly summarized the status of current cases.

Legislative Matters
2005-07 Budget Proposal

Vicki Rippie reported on draft decision packages including retirement buyout, office lease renewal and information technology software maintenance and assurance renewals necessary to maintain accurate and timely access to information.

Motion 05-006

Moved by Commissioner Wood, seconded by Commissioner Martin:

The Commission approves the submission of the 2005-07 Biennial Budget to the Office of Financial Management as presented by staff.

The motion passed unanimously.

Agency Request Legislation

Vicki Rippie discussed draft legislation for the 2005 Legislative Session to increase the Commission's penalty authority, to allow 60 business days rather than 45 calendar days for the Attorney General and local prosecutors to initiate court proceeding regarding citizen action complaints and to reconfirm that PDC is not responsible for enforcing the public records

subchapter of RCW 42.17 since that subchapter has its own judicial review enforcement mechanism.

Motion 05-007

Moved by Commissioner Noland, seconded by Commissioner Wood:

The Commission approves the submission of agency request legislation as presented by staff.

The motion passed unanimously.

ORCA Update

Michael Smith presented an overview of the progress on the development of the Online Reporting of Campaign Activities program.

Executive Session

The Commission went into executive session at 11:45 a.m. to discuss pending litigation with legal counsel.

Public Session

The Commission returned to public session at 12:05 p.m. and recessed for lunch.

Reporting Modifications

Renewal (with changes)

Steven Hill, Regent, Washington State University

Phil Stutzman reported that Mr. Hill requests a renewal of previously granted modification for Corporate Council for the Arts, and is now requesting an exemption from reporting the payments that Weyerhaeuser Company, Weyerhaeuser Company International, Weyerhaeuser Foundation, Y.M.C.A. of Tacoma/Pierce County, Seattle Symphony Orchestra, and Seattle Symphony Players Pension Trust received from Washington State University.

Mr. Hill was present and stated that it would be a hardship to provide all business transactions over \$7,500 related to Weyerhaeuser since he retired on August 22, 2003. He also stated that requiring him to ask WSU if it has done business with the other entities in which he is an officer or director

would create a conflict that otherwise does not exist.

The Commission directed legal counsel to research the issue of conflict.

Motion 05-008

Moved by Commissioner Tilly, seconded by Commissioner Wood:

The Commission defers action on the modification requested by Steven Hill until the September meeting.

The motion passed unanimously.

Renewals (no change)

The Commission considered the renewals with no change modification requests en masse:

Motion 05-009

Moved by Commissioner Tilly, seconded by Commissioner Martin:

The Commission grants Betty Neighbors, Lee Ann Powers and Douglas Schafer the requested reporting modifications.

The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

The motion passed unanimously.

Enforcement Matters
Requests for Reconsideration
Harley Halverson, Case #04-654

Phil Stutzman reported that a brief enforcement hearing was held on June 21, 2004 in which Mr. Halverson was found in violation of RCW 42.17.240 by failing to timely file the Statement of Financial Affairs. He was assessed a penalty of \$100. The form was filed on June 7, 2004.

Mr. Halverson provided a letter stating that the lateness in submitting the form was simply due to an oversight on his part.

There was no motion to reconsider this matter.

Denise McDonald, Case #04-653

Phil Stutzman reported that a brief enforcement hearing was held on June 21, 2004 in which Ms. McDonald was found in violation of RCW 42.17.240 by failing to timely file the Statement of Financial Affairs. She was assessed a penalty of \$150. The form was filed on August 12, 2004.

Ms. McDonald provided a letter stating that she attempted to file electronically prior to the deadline but experienced problems with her user ID and password.

There was no motion to reconsider this matter.

Frederick Ribary, Case #04-581

Phil Stutzman reported that a brief enforcement hearing was held on June 21, 2004 in which Mr. Ribary was found in violation of RCW 42.17.240 by failing to timely file the Statement of Financial Affairs. He was assessed a penalty of \$150. The F1 was received on July 12, 2004.

Mr. Ribary provided a letter stating that he filed for an IRS extension until August 15th and he planned to complete the F-1 form at the same time.

There was no motion to reconsider this matter.

Mark Robert, Case #04-574

Phil Stutzman reported that a brief enforcement hearing was held on June 21, 2004 in which Mr. Robert was found in violation of RCW 42.17.240 by failing to timely file the Statement of Financial Affairs. He was assessed a penalty of \$500. The F1 was received on July 21, 2004.

Mr. Robert provided a letter stating that he mailed the form in May and he does not know why the form was not received by the PDC.

There was no motion to reconsider this matter.

Dwight Thompson, Case #04-639

Phil Stutzman reported that a brief enforcement hearing was held on June 21, 2004 in which Mr. Thompson was found in violation of RCW 42.17.240 by failing to timely file the Statement of Financial Affairs. He was assessed a penalty of \$150. The F1 was received on August 9, 2004.

Mr. Thompson provided a letter stating that he has been on active duty as an Army Reserve officer since March 10th of 2003 which resulted in the form being filed late.

Mr. Stutzman noted that Mr. Thompson is stationed in Seattle and has attended all but two city council meetings during his time on active duty.

The Commission requested that staff gather more information regarding Mr. Thompson's schedule while on active duty.

Motion 05-010

Moved by Commissioner Noland, seconded by Commissioner Wood:

The Commission defers action in PDC Case 04-639, Dwight Thompson, for one month.

The motion passed unanimously.

Reports to Commission
Al Kiefer, Case #04-656

Mr. Stutzman reported on a staff generated complaint against Al Kiefer for apparent failure to file the Personal Financial Affairs Statement due by April 15, 2004. Mr. Keifer has been found in violation on three prior occasions for not filing a Statement of Financial Affairs and has outstanding penalties of \$1,450. Mr. Keifer has never filed an F-1 report with the Public Disclosure Commission.

Motion 05-011

Moved by Commissioner Tilly, seconded by Commissioner Martin:

The Commission finds an apparent violation in PDC Case #04-656, Al Kiefer, and due to its insufficient

penalty authority, refers the matter to the Office of the Attorney General for further action including seeking a court order compelling Mr. Kiefer to file pursuant to RCW 42.17.240.

The motion passed unanimously.

Gregory Nelson, Case #04-655

Mr. Stutzman reported on a staff generated complaint against Gregory Nelson for apparent failure to file the Personal Financial Affairs Statement due by April 15, 2004. Mr. Nelson has been found in violation on three prior occasions for not filing a Statement of Financial Affairs and has an outstanding penalty of \$500. The Public Disclosure Commission has not received any F-1 reports from Mr. Nelson since his initial report filed as candidate in 1999.

Motion 05-012

Moved by Commissioner Wood, seconded by Commissioner Martin:

The Commission finds an apparent violation in PDC Case #04-655, Gregory Nelson, and due to its insufficient penalty authority, refers the matter to the Office of the Attorney General for further action including seeking a court order compelling Mr. Nelson to file pursuant to RCW 42.17.240.

The motion passed unanimously.

Harry Oestreich, Case #04-707

Mr. Stutzman reported on a staff generated complaint against Harry Oestreich for apparent failure to file the Personal Financial Affairs Statement due by April 15, 2004. Mr. Oestreich has been found in violation on three prior occasions for not filing a Statement of Financial Affairs and has an outstanding penalty of \$500. The Public Disclosure Commission has not received any F-1 reports from Mr. Oestreich since his initial report filed as candidate in 1999.

Motion 05-013

Moved by Commissioner Martin, seconded by Commissioner Tilly:

The Commission find an apparent violation in PDC Case #04-707, Harry Oestreich, and due to insufficient penalty authority, refers the matter to the Office of the Attorney General for further action including seeking a court order compelling Mr. Oestreich to file pursuant to RCW 42.17.240.

The motion passed unanimously.

Adjournment

Commissioner Connelly adjourned the meeting at 2:15 p.m. The next meeting is scheduled for Tuesday September 28, 2004.

Approved by the Commission 9/28/04